GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:660
ANSWERED ON:25.02.2009
BORROWING LIMITS OF STATES
Francis George Shri K.

Will the Minister of FINANCE be pleased to state:

(a) whether some of the State Governments have approached the Union Government for increasing their borrowing limits in the current fiscal year 2008-09;

(b) if so, the names of States and the details of requests made by them in this regard;

(c) whether the Government of Kerala had also requested for sanction to borrow Rs.1000 crore from the market for infrastructure development; and

(d) if so, the details thereof and decision of the Government thereon ?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b): Some State Governments like Andhra Pradesh, Kerala, Maharashtra, Punjab, Rajasthan and Uttarakhand have requested the Government of India for increase in their borrowing limits in the current financial year (2008-09).

As a part of the second economic stimulus package announced by the Government,the States have been allowed to raise in the current financial year additional market borrowings of 0.5% of their Gross State Domestic Product (GSDP), amounting to about Rs.30,000 crore, for capital expenditures.

(c) & (d): State Government of Kerala had requested for additional market borrowing of Rs.1000 crore for expenditure on infrastructure development in agriculture,industry and allied sectors. However, based on 0.5% of GSDP,Kerala has been allowed additional market borrowing of Rs.800.00 crore in 2008-09 in addition to the borrowing approved by the Planning Commission for the State's annual plan for the current financial year.